

LNF & IHCIF Calculations Illustration

- SEMINOLE in Nashville area -

Given Data

- 3,178 = 1998 user count
- \$2,980 = National average cost per person (not including wrap-around costs)
- 34% = % Expenditures on purchased services, 66% = % expenditures in-house
- 107.6% = Cost index for purchasing health care in this geographic area
- 119.2% = Size cost index for in-house costs due to small or large size
- 95.9% = Nashville area cost index for health status above or below average

Cost Adjustment Calculations

- \$1,085 per person for purchased services = $34\% * 107.6\% * \$2,980$
- \$2,349 per person for in-house services = $66\% * 119.2\% * \$2,980$
- \$3,434 per person total = \$1,085 (purchase) + \$2,349 (in-house)
- **\$3,294 per person total** adjusted for health status = $\$3,434 * 95.9\%$
- **\$2,549 per person net cost** = $\$3,294 - \745 Other resources (M&M&PI)

Existing Expenditures (for 3,178 users excluding wrap-around and collections)

- \$1,270 per person = local IHS allowance (excludes \$ for wrap-around)
- \$154 per person = expenditures elsewhere in Nashville area on behalf of area users
- \$54 per person = expenditures elsewhere in IHS on behalf of IHS users
- **\$1,478 per person for OU users** = $\$1,270 + \$154 + \$54$

LNF Calculation

- **44.9% Gross LNF** = $\$1,478$ (expenditures) / $\$3,294$ total cost (ignoring Medicare, Medicaid, PI spending on behalf of OU users)
- **58.0% Net LNF** = $\$1,478 / \$2,549$ net cost ($\$3,294 - \745 other)

IHCIF Allocation

- \$163,205 = \$ to raise LNF% from 58.0% to 60%
- \$258,040,100 = aggregate \$ to raise all locations to 60%
- 3.488% IHCIF fraction = $\$9,000,000$ fund / $\$258,040,100$ needed
- **\$5,693 Allocation** = $\$163,205$ needed for 60% * 3.488% IHCIF fraction

SEMINOLE Unmet Needs

- **\$8,101,331 Net Total Need** = 3,178 users * \$2,549 net cost
- **\$3,403,738 Net Unmet Need** = $(100\% - 58.0\% \text{ LNF}) * 3,178 \text{ users} * \$2,549 \text{ net cost}$